(d) The disposal of these PSUs will depend upon the final orders of BIFR/ Courts.

Industrially backward areas of Gujarat

837. SHRI AHMED PATEL: Will the Minister of INDUSTRY be pleased to state:

(a) whether Government have identified the industrially backward areas in the State of Gujarat;

(b) if so, the details thereof;

(c) what fiscal incentives and subsidies are being offered to entrepreneurs by Government and Govenrment of Gujarat to attract industries in these backwad areas of the State; and

(d) the details thereof?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) and (b) Ministry of Finance (Department of Revenue) had vide Notification No. S.O. 714(E) dated 7.10.97 specified 53 category 'A' industrially backward districts and 70 category 'B' industrially backward districts for grant of tax concessions under Income Tax Act, 1961. Three districts of Gujarat are included in the list of which one district namely The Dangs is in category 'A' and two districts namely Banaskantha and Sabarkantha are included in category 'B'.

(c) and (d) Undertakings set up in industrially backward States or districts, which start manufacture or production on or before 31.3.1998 are entitled a two-tier tax benefit. The Finance Bill, 1998 proposes to extend the tax holiday benefit upto 31.3.2000. Undertakings which meet the above requirement and are set up in industrially backward States and industrially backward districts specified as category 'A' districts are entitled to five year tax holiday (100% deduction from profits derived by them). A Deduction of 25% (30% in the case of companies) from the profits is allowed for a further period of five years. In the case of category 'B' industrially backward districts, the period of tax holiday is three years and a deduction of 25% (30% in the case of companies) from the profits of such undertakings is allowed for a further period of five years.

With a view to promoting industrialisation of the backward areas in the country, the Ministry of Industry is also operating the Growth Centre Scheme under which 71 growth centres are proposed to be set up throughout the country. The selected growth centres are to be provided with basic infrastructural facilities like power, water, telecommunications and banking, enabling them to attract industries. Each of the selected growth centre is to be developed in an area of about 400-800 hectares with Central assistance of Rs. 10 crores.

Pay revision in PSUs

838. SHRI RAMDAS AGARWAL: Will the Minister of INDUSTRY be pleased to state:

(a) whether Justice S. Mohan Committee's Report on pay revision for public sector undertakings (PSUs) executives was submitted to Government on 30th October, 1998;

(b) if so, the most important and major recommendations made by the Committee;

(c) whether Government have examined all the recommendations;

(d) whether Government have accepted all the recommendations of Mohan Committee including performance related incentive payments; and

(e) if so, the details thereof and by when Government's decision thereon would be announced and the date from which they would become effective?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI SUKHBIR SINGH BADAL) : (a) Yes Sir.

(b) Major recommendations of the

Committee are given in the enclosed Statement *(See* below).

(c) to (e) The Government are examining the recommendations.

Statement

Major recommendations of the Committee are as under:

- The proposed pay scale would be effective from 1.1.97.
- The recommended scale of pay for Executive in Schedule 'A' posts is Rs. 27,750—31,500, Schedule 'B' posts is Rs. 25,750—30,950, Schedule 'C' posts is Rs. 22,500—27,300 and in Schedule 'D' posts is Rs. 20,500—25,000.
- 100% neutralisation of cost of living for PSE employees covered by the terms of reference of this Committee.
- The next pay revision for executives in PSEs should be after a period of 10 years or co-terminus with pay revision for Government employees.
- HRA based on the reclassified list of cities as notified by Government of India based on the recommendations of 5th Central Pay Commission.
- An increasing proportion of payments to executives, apart from salaries, should be performance related, thus constituting incentive/ disincentive payments. Perquisites and allowances may not exceed 50% of basic pay. Payments over and above the ceiling of 50% should be entirely in the nature of performance related payments.
- In respect of sick enterprises, including those referred to BIFR, revision in pay scales should be allowed only after a strategic plan of restructuring for revival with adequate funds, has been implemented. In respect of enterprises which the Government decides to close down, a generous VRS should be implemented.

Blacklisting of Indian companies

839. SHRI RAMDAS AGARWAL: Will the Minister of INDUSTRY be pleased to state:

(a) whether it is a fact that the United States have published an Entities List on 13th November, 1998 detailing 40 Indian Government Departments, public sector and private sector companies and their 200 subsidiaries with which U.S. firms would not be permitted to have business links, as reported in the Hindustan Times, dated the 16th November, 1998;

(b) if so, what are the details thereof and the reasons therefor;

(c) whether this blacklisting would have any adverse impact on India's exports; and

(d) if so, what remedial steps Government have so far taken including reciprocating this unwarranted U.S. action?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHAT): (a) and (b) On 19th November 1998, US notified 40 Indian entities along with 200 subordinate entities, which will be covered by export restrictions. The list specifies the entities believed by the US to have been involved in the nuclear and missile related programmes and includes organisations in the field of atomic energy, space and defence, establishments involved in conventional military activities and a number of Indian public and private sector companies. US exporters would require licences to export to the listed entities and most licences would be denied, except for items intended to ensure the safety of civil aviation and safe operation of commercial passenger aircraft.